

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

UNITED STATES OF AMERICA)	CASE NO. 5:20CR400
)	
Plaintiff)	JUDGE PAMELA BARKER
)	
-vs-)	
)	
JOSEPH CIPOLLETTI)	<u>DEFENDANT'S</u>
)	<u>SENTENCING MEMORANDUM</u>
Defendant)	

Defendant Joseph Cipolletti submits the attached sentencing memorandum with exhibits attached.

1. Background and history of Discovery Tours.

Joe Cipolletti is 47 years old. He is married with three children (one aged 10 and twins, age 7). Joe grew up in the Cleveland area and graduated from John Carroll (history/political science). He moved to Chicago for work, met his wife there, got married, and came back to the Cleveland area in 2005 to work in his Dad's cottage business...Discovery Tours.

After Joe got involved, the business grew quickly, though with little structure to handle the growth. Over time, there was some effort to acquire assistance and expertise to manage the growth, but the family business never really incorporated suggestions and ideas on how to manage itself. The company needed a full-time person who managed the business (and only that task). In retrospect, the growth was done carelessly, without enough attention to managing it properly.

Joe's Dad (Al) continued to do trips with adults and Joe grew the student travel side of the business, primarily long weekend trips to Washington, DC (costing around \$500-600 per

student). These trips have become common experience for many middle school students.

Counsel's three children all took trips of this type to Washington.

2. The Fatal problems with the business.

Joe's criminal conduct should be understood in the context of his having a prominent role in a family business. Discovery Tours had two problems that were never resolved, were exacerbated by mismanagement, and got worse as it grew:

A. Cash Flow: Discovery SELLS the trip to the school district; Discovery BUYS the trip from the vendors (hotels, buses); Discovery gets PAID for the trip (by the parents).

Trips were "sold" to schools (primarily by Joe), many months in advance of the trip. Once Discovery received a commitment from the school, Discovery made the necessary arrangements ("buying" bus transportation and hotel rooms, etc.). The commitment to the trip from the school district came early in the process and triggered the requirement that Discovery begin to "buy" the trip. The payments from the travelers (through their parents) would come much later; closer in time to the trips. A well-run company would be able to handle this, but Discovery always struggled with this aspect, especially as it grew. There are allegations in the indictment that payments that were coming in for an upcoming trip in the near future would be used to pay for buses and hotels for some other school's trip many months away ("robbing Peter to pay Paul"). That allegation is true.

B. Annual sales grew; credit is destroyed.

Discovery (Joe, significantly) was committed to growing the business. They were very successful in that endeavor (growing about 700% in about 10 years...\$900,000 in sales to \$6.5 million). However, they offered a package to their customers that, over time, became

increasingly difficult to pay for. They offered a very competitive price. The students stayed in nice hotels (e.g., Hyatt) and ate well. The school district was offered reductions and free trips (as incentives to go with Discovery) for their “chaperones” (teachers primarily). This model may have been sustainable with good credit, and Discovery had good credit in the early years. But, their credit was destroyed over time as they missed payments (to credit card companies and to hotels, etc.). Eventually, the business was “running” on family members’ high interest credit cards and other reckless personal financial practices (2nd mortgages; cashing in 401k’s). Joe concluded that upward adjustments in the price of the trips (due, in part, to increases in Discovery’s “cost of doing business”) would cause the business to be lost to a competitor. So, they kept the price down and continued to offer incentives and good hotels, etc., and their expense increased significantly due to higher interest rates on personal credit cards as one example.

3. Joe’s Criminal Conduct: The BONUS Program and Joe’s hidden income.

Joe started at a fairly low salary (\$25,000) in 2007. Around 2010, Joe and the other family members developed a strategy to encourage growth (and allow them to pay Joe, and others, more money). The “bonus” program, which is contained in company documents (see attached exhibits collectively **Exhibit B**) and was known to other members of the business (see attached statements of Al and Chris Cipolletti **Exhibit C**), would give the seller of new trips 20% of the profit in the first three years of the new business.

The bonus program increased Joe’s income but he (as the keeper of the business checking ledger, etc.) hid HIS bonus payments...in part to benefit himself (hide income) but also to hide payroll payments from the corporate documents so that payroll taxes from Discovery would not

be incurred. Some of the other people who sold trips and received bonus payments insisted that they receive their bonus in a proper manner..."on the books". Joe did not.

The result of this bonus program (and the related deception by Joe) was that:

- Discovery's annual sales continued to grow dramatically;
- Joe's income grew, "on the books", to \$70,000 by 2017; and the hidden income brought his total financial benefit from Discovery to about \$150,000 per year in the last few years;
- Those who advised Discovery (accountants) were looking at business financial documents that showed entries in check ledgers reflecting a payment to a hotel, for instance when, in reality, it was a "bonus" payment to Joe. Inaccurate information would have resulted in an accountant not having a clear picture of Discovery's costs of doing business, resulting in their likely giving poor advice about the whole structure of the business. All of this eventually led to 2018, when buyers of Discovery trips made their purchase and didn't get their trip due to the sudden collapse of the business. Joe's hidden payments contributed to that outcome.

As reflected in the indictment, Joe also changed important entries and made misleading statements in a deposition.

4. Family members cash in personal assets to support Discovery.

The government has presented to the court dollar amounts reflecting car purchases and improvements made to Joe's family home that exceed \$600,000. These monetary amounts are facially accurate and, by Joe's estimate (very hard to accurately quantify), about 2/3rds of the home improvements were paid from the hidden bonus payments (see Joseph Cipolletti personal statement **Exhibit A**). The rest was paid for by his and his wife's salaries.

During this time (2012-2018), Discovery's credit and cash flow problems caused Joe, his father, his wife and his brother, to contribute personal assets to Discovery in order to infuse money into the business caused by cash flow issues and the demise of Discovery's credit. By

Joe's calculation, he contributed \$160,229.01 from personal credit cards that remained unpaid to him at the time of Discovery's demise (see **Exhibit D**). Additionally, Joe has calculated that, beyond what he received (in salary and hidden bonus payments) that an additional \$91,802.30 in payments from college funds and 401k's, etc., were forwarded to Discovery (to keep it operating) and for which he was not reimbursed (**Exhibit E**). Overall, it is Joe's estimate that, at the time Discovery ceased operations, that about \$270,000 was contributed by him and his wife to Discovery, that was not repaid to them.

This information is provided not in an effort to confuse or diminish Joe's criminal conduct. It is provided to accurately paint the picture of a complicated, messy and overlapping business, personal financial situation. Joe supplied money to address the loss of credit (which he contributed to) and to deal with cash flow issues. Joe illegally took money out (through the bonus payments), in part, to reimburse himself.

Exhibit F is provided which shows inflow and outflow of funds from Discovery into Joe's personal account. Because Discovery was no longer a reliable business partner to hotels, etc., the hotels insisted on wire transfers, which had to come from personal accounts. As an example, on November 2, 2017 (first page), Joe's Chase account received four (4) PayPal payments from Discovery (totaling about \$17,000). Those PayPal receipts from Discovery were then immediately translated into money orders (MO's) from Joe's account to pay the Hyatt (\$10,284.94) and other vendors.

Again, this information is provided to explain that there was a significant overlap between Discovery accounts and the family members' personal accounts and that money was moving in both directions.

5. What Discovery knew about Joe and the bonus payments.

The government alleges (properly) that Joe Cipolletti's hidden bonuses harmed Discovery Tours. They are correct about that. However, to the extent that it is implied that the other members of the business were unaware, that isn't correct. Al Cipolletti and Chris Cipolletti were aware of the bonus system and it is described in business documents. They did not know how much Joe received or how he dishonestly recorded these payments, but they knew it was happening.

6. Discussion about the Sentencing.

Joe's family continues to live in Hudson. He and his wife sold the home in question. Due to financial challenges related to loss of Joe's income over the last several years, the family took out a 2nd mortgage on the home and realized little in the sale. What was acquired in the sale was used by the family to handle ongoing expenses. The family now rents a home in Hudson so that the children can continue in the same school district. Over the past several years, Joe has been looking for gainful employment (difficult) and working primarily in the "gig" economy as a food delivery person.

The court is requested to consider and make a determination as to the extent of the financial loss in this case and to make a fair and just decision. Whatever the financial loss that has been determined, the defense asks the court to consider recent financial loss cases that it and other federal judges have handled in the past few years.

Determining the financial loss to Discovery in this case is a difficult task. The complicated interactions between Joe Cipolletti, his hidden bonus receipts, his payments TO Discovery to cover ongoing operations, is complicated. The other family members did not know

the extent and the method of the bonus payments but they knew that the payments were part of the company's compensation structure.

In summary, Joe Cipolletti is most sorry for the personal and emotional loss that each family experienced as a result of his criminal conduct. He's also very worried and remorseful for the burden he's put on his wife and children. In sentencing him, he asks the court to:

- Recommend him to serve his sentence at Elkton FCI;
- Due to the non-violent nature of his conduct, his lack of criminal history (and ongoing good behavior in the community), allow him to self-report to prison.

Respectfully submitted,

s/Brian R. McGraw

BRIAN R. McGRAW (0036799)

Attorney for Defendant

55 Public Square Suite 2100

Cleveland, Ohio 44113

Phone: 574-2516

Fax: 696-1439

S E R V I C E

I hereby certify that on December 16, 2022, copy of the foregoing Memorandum was filed electronically. Notice of this filing will be sent by operation of the Court's electronic filing system to all parties indicated on the electronic filing receipt. All other parties will be served by regular U.S. mail.

S/ Brian R. McGraw

BRIAN R. McGRAW (0036799)

Attorney for Defendant

Ex. A.

I began working at Discovery Tours, Inc. (DT) in August 2005. At the time, DT had one full time employee (Dad) and three part time employees (Chris – my brother and two others). The company was operating out of Dad's house in Richmond Heights, OH.

The focus of the company in 2005 was adult retail bus tours and cruise packages with a small focus on student travel. The company was never a "travel agency" whereas someone could call DT and make miscellaneous reservations. The emphasis was on group travel.

With the collapse of the housing market in 2008 and subsequent financial strain on travelers, DT began shifting its focus to student travel with the hopes of growth. This decision changed everything. Our growth was large and fast. Whatever controls and strategies we had in place, quickly disappeared as the business demands overwhelmed all of us.

Dad started the business in the early 1970s as a hobby. He retired in the late 1980s and ran DT to supplement his income from his teacher retirement. Chris worked at DT on a part-time basis and was hired full time in 2005 (about the same time I started full time). DT had no company charter in place. Dad was the sole owner with 100% of the company shares. Chris and I were each assigned as a company director. No company budget was in place or ever sanctioned by anyone at DT. We did create an individual budget for each student trip. In short, the business was run day to day with no clear guidance on spending or anticipated growth.

From 2007 to 2016, we experienced a growth of 600%. It happened so quickly, that we never were able to get control of anything. We had no CFO. We had no policies or practices in place to guide us on what to do. Decisions were made with a lack of consequences every being discussed. There was no oversight.

From 2007 through about 2011, most of the expenses were paid by a DT corporate AMEX card – AMEX capped the card and put a limit on the account around 2011. To continue operations, Dad opened about a dozen ancillary cards all of which had limits that would not work for us. It was at this time, we started using personal assets to finance the business. I had stellar credit and had exceedingly high limits on my personal cards. This option seemed like an innovative idea. Very quickly, personal cards for Dad, my mother, myself, and my wife became the main finance tool for DT. This allowed for quick capital. However, as cash flow compounded itself in everything we did, we began running balances and paying interest. By 2018, this interest on personal cards was well over \$150,000.00 annually.

One advantage to using personal cards was the benefit of point systems. As AMEX had extremely high limits, this was the card we used primarily (all principals had a personal AMEX). Each used our points at his discretion. As I had the highest limit, I would typically receive the most points. On average, I would receive millions per year. I would often use the points for AMEX gift cards and then sell them to DT. DT would use the gift cards for payments on tours and I would be issued cash for my points. I would receive around \$10,000.00 annually for exchanging my points.

Around 2014, it became customary practice to finance DT in any way possible. Dad took out a second mortgage on his home. I cashed in any and everything I could get my hands on. This includes, my eTrade account, IRAs, 401ks from my previous employment, children's college funds, life insurance policies and credit cards. From 2014 to 2018, I poured everything financially into the business. Anywhere I could get money in my name I used to help keep Discovery moving forward. I risked everything – including my wife's credit – to provide much needed capital to the business. At Discovery Tours collapse in May of 2018, our balance sheet did show the funds I provided personally and what was still owed to me. This number is \$91,802.30 for payments made directly to the company (i.e., checks / cash) and \$169,229.01 on personal credit cards. This totals \$252,031.31 of funds provided by me to the company that was never paid back.

What is not understood is that the company was having financial issues from the day I started – a review of our financials clearly shows this. Those issues were compounded year after year and by 2018 they were so large, there was nothing we could do.

The funds that I took were a commission/bonus as outlined in policies created by staff. The commission/bonus program was 20% of the profit for three years to anyone who secured the trip. The commission/bonus was later changed to a specified amount for every bus that we secured. As my job was primarily sales, it was to my benefit to land as many profitable trips as possible to increase my pay. The issue is the way I took them. Commissions were paid to me in several ways. One was cash. The second were checks. The third was DT paying for personal bills on my behalf. I made entries that were false or issued myself a check and changed the payee in our financial software. I know what I was doing was wrong. I should have never taken a commission/bonus in the way I did. It was deceitful, stupid, dangerous, and completely out of character for me. I never cheated on anything my whole life and this decision has changed everything forever.

I took the company commission/bonus as I did earn it. Without question, my hours dictated a larger salary (my salary began at \$25,000.00 and concluded at \$70,000.00 per year). On average, from 2012 to 2018, I would work about 65 hours per week. As my focus was sales, I would travel extensively throughout the year. Most of my travels were in Ohio, but I worked in Pennsylvania, Michigan, and New York. It was not unusual that I was only in the office two days a week and travelling the other three. This was nine months out of the year (as we followed a school schedule, the summers were slow). Even though I was out of the office, I was still completing my daily tasks. During both the spring and fall, this routine was constant. The biggest problem was not falling too far behind in my work. If a tour were Monday to Thursday, I would still be in the office Friday, Saturday, and Sunday to catch up and then leave again on Monday for another tour.

This is not an excuse. These are the facts. I firmly believe that the commission/bonuses I earned did not result in Discovery Tours failing. On average, my commission/bonus was around \$50,000.00 to \$75,000.00 annually. This represents about 1% of our annual sales. When my commission/bonus was taken, it was only done when we had the funds available. The problem was compounded in that our records were about 9 months behind. Our financials looked good, and I assumed that we were profitable. Often, this was not the case. Our poor records showed positivity but, we were losing money. We did not know this until months later. In addition, my inaccurate entries may have caused our accounting team not to fully understand what was going on in the business.

Every commission/bonus earned was recorded and documented. Each tour's profit and loss were reviewed, confirmed and a commission/bonus was issued based on this final number. Typically, the commission/bonus was issued within six months of the tour being completed – if funds were available. This documentation, along with payments, was part of the materials handed over to the bankruptcy trustee in late May 2018. The last commission/bonus taken was sometime in 2017.

Discovery has so many problems in so many ways. I believe, our downfall was based on the following:

1. Staffing issues
2. Cash flow
3. Interest payment(s) on loans
4. Credit interest
5. Pricing

6. Staffing salaries
7. Association partnerships
8. Unexpected travel expenses
9. Payment flexibility
10. Stipends
11. Contractual obligations
12. Unpaid bills from schools
13. Fear

Near the end, financial concerns became such a problem that we started using my personal bank accounts. Both my brother and Dad had one personal account with a local credit union that had no online banking (or they did not know how to use it). I had three accounts with mainstay banks that had great online tools. To meet demand, pay vendors who requested wire transfer(s) and secure cash for trips, it was decided that we should use my personal accounts. Our corporate bank only allowed for so many wire transfers a day. I was able to use my personal accounts to increase this allowance ten-fold. So, we would transfer funds from Discovery accounts into my accounts and pay bills accordingly. I kept meticulous records of every transaction and had everything approved by our accounting team. In addition, funds from Discovery accounts that were transferred to my personal accounts were used to secure our cash withdrawals for upcoming trips. The perception is that you can use a bank to pull cash. This is true to a certain extent. Based on what the schools wanted, a trip could warrant \$50,000.00 in cash for meals, gratuities, or even payment. We would have to order these amounts weeks in advance. There were many occasions when we did not order enough, or an addition was made by the school and more cash was needed. As our banks would not allow additional requests, my personal accounts would be used. As with wire transfers (discussed above), Discovery money would be deposited in my account and the orders would be placed and received. Like before, records and receipts were kept and approved by our accounting team.

There has also been a discussion of funds used for vehicles. As travel was our business, it was only natural that a company car be provided. The business purchased a vehicle each year on my behalf. Why? The most obvious reason was my extensive travels deemed a vehicle. I would average 40,000 to 45,000 per year. The thought was to keep the car and sell it before the warranty expired or mechanical issues arose. The vehicle was also my daily driver. I had to get a vehicle that fit my family and provided the space and storage for tours / sales meetings. We did discuss this with our accounting team and how

we should proceed with the purchase. As putting the vehicle as a company asset was too expensive and difficult (the insurance), we decided to put it in my name.

The end of the company was fast and swift. In early May, a hotel pulled one of our clients for a billing discrepancy. The trip was paid in full (every venue). The hotel claimed we owed more money; however, the bill we received from them was what was paid. The hotel refused to rethink the decision or refund our money. As we could not secure a new venue that could handle the group, the tour was cancelled. Within hours several media outlets where at our offices and schools began requesting refunds. Within a week of this cancellation, we had filed for bankruptcy.

I think about Discovery Tours every day. What I could have done differently. Why did I take a commission/bonus in the way that I took it. How we could have made the business more viable. In short, what could I have done differently. My life has forever been changed. My act was not done out of malice, greed, or anger, but one of pure stupidity. I should have never taken a commission/bonus by hiding the receipt of those funds.

I want the Court to know that this company was my life. I did everything with the hopes of creating a sustainable business for the future. We tried to make it right. We did not succeed. I am sorry for everything. I am sorry for my actions and their contribution to Discovery Tours failing. I am sorry students and schools lost their trip and money. I will be haunted forever by what happened. I have disgraced my name, my children, my parents, my wife, and those affected by my actions.

Joseph A. Cipolletti

December 14, 2022

Kx. B

TO: School Tour Managers

FROM: Joe A. Cipolletti
Director of Development

Linda Pazicni
Director of Student Travel

DATE: January 12, 2010

RE: Sales and Marketing – Student Tours

Over the past year we have initiated a new program that allows each of our School Tour Managers to benefit financially from past (or current) school contacts. As a reminder, **Discovery Tours is offering a 20% commission on ALL school trips that are secured by you.** To make it even easier, all you have to do is secure a meeting at which time Discovery Tours will make the sale pitch. In short, you don't have to sell anything. Just get us in the door and the commission is yours for three years (assuming the group has a tour for that long). The school travel industry is growing leaps and bounds and this is your chance to take advantage of your years in teaching or affiliation with a school.

If you would like marketing materials, please contact us immediately.

Thank you for your attention to this matter and we look forward to hearing back from you.

NOTE – If you are participating in our selling program please contact us so we know what schools you are pitching. We want to make sure that you get credit for your sale and receive your commission.

AGENDA

1. Introductions
2. 2010 Overview
3. 2010 Tour Schedule
4. Attire
 - a. Name badge
 - b. Polo shirts
 - c. windbreaker
5. Tour Manager Responsibilities
 - a. What is your role?
 - i. Morning / afternoon / evening
 - b. Informing the school?
 - c. The unexpected
 - d. Phone home (i.e. twitter)
 - e. Cell phone
6. Pay / W4s
 - a. Meal policy
7. Selling / Commissions
8. Branding Campaign - COMPLETE
9. Other
 - a. Company picnic
 - b. Gus Bus Program
10. Questions

NEW POLICY CONCERNING OUTSIDE SALES:

Our new program is based on a commission of \$500.00 per bus for one year.

In order for the rate of \$500.00 to be applicable, the net profit for Discovery Tours must be over \$2,000.00. If it is under \$2,000.00, the commission amount would be \$250.00 per bus. The commission will be taxed and issued no longer than 45-days after the return date for the group.

This program will go into effect effective April 1st. Please note that those person(s) who are in year three (3) of our old commission program, we will honor our commitment for 20%.

Why the change? After extensive research, we have determined that our previous commission was too high. \$500.00 per bus is a fair offer and in-line with other commissionable ventures.

Ex C.

I'm writing on behalf of my son, Joe Cipolletti. I started Discovery Tours as a part-time job when I was working as a school counselor in the Mayfield School District back in the 1970's. Sometime after 2000, Joe moved back from Chicago and began to work for Discovery Tours. I don't remember the exact year. Before Joe came to work for us, Discovery sold trips mostly to adults (to places like Niagara Falls or Chicago). After Joe started, we began to do a lot of work with students and school districts, taking them mostly to Washington, D.C.

While Joe was working for Discovery, we developed a bonus system to encourage finding new business. The bonus system was described in our company manual. It gave a person who sold new trips 20% of the profit of that new business for the first three years. Joe was our main salesman and sold a lot of new business as we were growing bigger.

I was not in charge of the books, and I don't know how Joe paid himself the bonuses and I don't know how he kept track of the bonuses in our checking account ledger. I don't know how much he was paid in bonuses but I knew that bonus payments were happening.

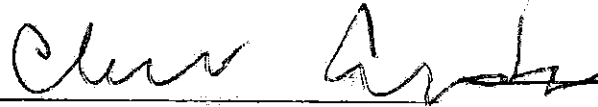
The business had a lot of trouble with cash flow. We all became involved in using personal credit cards, high interest credit cards and taking out 2nd mortgages on our houses to keep the business going. All of these problems were happening while the size of the business was growing very fast.

I'm sorry that families were hurt and trips were canceled.

Alfred Cipolletti
Alfred Cipolletti

12-14-22
12/14/22

Joe Cipolletti is my brother. He and I worked for Discovery Tours, our Dad's company. There was a bonus system to encourage finding new business. I knew about the bonus system and it was described in the company manual. I was not a salesman so I didn't get any bonuses, but I knew that Joe was receiving bonuses. I didn't handle the books and I don't know how he paid the bonuses or how he documented the payments.


Chris Cipolletti

12/14/22
12/14/22

Discovery Tours, Inc.
Transactions by Account
 As of March 20, 2018

10900 - Chase - JAC

Type	Date	Num	Name	Memo	Class	Ch	Split	Amount	Balance
Credit Card Charge	09/27/2017		Administration		Administration	33101 - AMEX / 73006 (JAC)		100.00	100.00
Deposit	10/16/2017			Deposit		10800 - PNC Bank / 9552		-14,391.00	-14,291.00
Check	10/17/2017	DC	Pradous Cargo Trailways	Replaces check 2755 PNC for \$4440.00		* -SPLT-		-4,573.20	-18,864.20
Check	10/24/2017	DC	1 & 1 Internet			* 74740 - Internet Service		-53.90	-18,918.10
Check	10/26/2017	MO	Berons Bus Lines			* 60362 - Charters		-11,200.00	-30,118.10
Check	10/26/2017	Joe	Administration		Administration	* 10500 - PayPal Reserve		2,000.00	-28,118.10
Check	10/26/2017	Joe	Administration		Administration	* 10500 - PayPal Reserve		1,350.00	-26,768.10
Check	10/26/2017	Joe	Administration		Administration	* 10500 - PayPal Reserve		2,000.00	-24,768.10
Check	10/26/2017	Joe	Administration		Administration	* 10500 - PayPal Reserve		4,000.00	-20,768.10
Check	10/27/2017	MO	Anderson Coach and Travel			* 60362 - Charters		-13,594.15	-34,462.25
Check	10/27/2017	Joe	Administration		Administration	* 10500 - PayPal Reserve		9,000.00	-25,462.25
Check	10/27/2017	DC	Telecom Assurance, LLC			82020 - Office Telephone		-317.13	-25,779.38
Check	10/27/2017	DC	Telecom Assurance, LLC	to replace ck 6362		82020 - Office Telephone		-314.00	-26,093.38
Check	10/30/2017	MO	Lakefront Lines, Inc.	to replace check 6285		* 60362 - Charters		-10,580.00	-36,673.38
Check	10/30/2017	DC	Geysburg Foundation			* -SPLT-		-1,350.00	-38,023.38
Bill Pmt - Check	10/31/2017	MO	Guide Service of Washington Inc.			* 32000 - Accounts Payable		-300.00	-38,323.38
General Journal	10/31/2017	Ret Dep	School Groups	Grizell MS 10/25-10/26/17	School Groups	59105 - School Groups		10,500.00	-27,823.38
Transfer	10/31/2017			Returned deposit	School Groups	* 10500 - PayPal Reserve		8,488.75	-19,334.63
Transfer	10/31/2017			Funds Transfer	School Groups	* 10500 - PayPal Reserve		5,199.75	-14,134.88
Check	10/31/2017	MO	Guide Service of Washington Inc.			* 60100 - Lodging / Hotels		-1,779.00	-15,913.88
Check	10/31/2017	DC	Dominion Energy Ohio			* 83010 - Gas & Electric		-46.47	-15,960.35
Check	10/31/2017	DC	FedEX			* 81720 - Postage		-17.59	-16,077.94
Transfer	11/01/2017	MO	General Pockets Buffet	PayPal Funds Transfer	School Groups	* 10500 - PayPal Reserve		3,335.00	-12,742.94
Bill Pmt - Check	11/01/2017	MO	Hyatt Place	Harrison JHS 11/1/17 @5:30pm	School Groups	* 10500 - PayPal Reserve		17,900.00	4,688.07
Check	11/01/2017	MO	Magill's			* 32000 - Accounts Payable		-2,588.00	2,100.07
Check	11/01/2017	DC	FedEX			* 60100 - Lodging / Hotels		-13,910.40	-11,810.33
Check	11/01/2017	DC	Mount Vernon			* 60210 - Client Meals		-3,100.00	-14,910.33
Check	11/01/2017	DC	Cash Trip Withdrawal			* 81720 - Postage		-36.75	-14,947.08
Transfer	11/02/2017			PayPal Funds Transfer	School Groups	* 60310 - Admissions		-1,500.00	-16,447.08
Transfer	11/02/2017			PayPal Funds Transfer	School Groups	* 60210 - Client Meals		-800.00	-17,247.08
Transfer	11/02/2017			PayPal Funds Transfer	School Groups	* 10500 - PayPal Reserve		11,840.00	-5,207.08
Transfer	11/02/2017			PayPal Funds Transfer	School Groups	* 10500 - PayPal Reserve		2,999.75	-2,307.33
Check	11/02/2017	MO	Cash Trip Withdrawal			* 10500 - PayPal Reserve		1,564.75	-742.58
Check	11/02/2017	MO	Magill's			* 10500 - PayPal Reserve		344.75	-397.83
Check	11/02/2017	MO	George Washington Mt Vernon			* 60210 - Client Meals		-1,900.00	-2,197.83
Check	11/02/2017	DC	Hyatt Regency			* -SPLT-		-8,000.00	-10,197.83
Transfer	11/03/2017			PayPal Funds Transfer	School Groups	* 60210 - Client Meals		-1,998.00	-12,195.83
Transfer	11/03/2017			PayPal Funds Transfer	School Groups	* 60310 - Admissions		-782.00	-13,977.83
Check	11/03/2017	DC	Pradous Cargo Trailways			* 60100 - Lodging / Hotels		-10,284.94	-24,262.77
Check	11/03/2017	MO	Guide Service of Washington Inc.			* 10500 - PayPal Reserve		3,049.75	-21,213.02
Check	11/03/2017	MO	Magill's			* 152018 - Prepaid Tour Expenses (2018)		4,889.75	-16,323.27
Check	11/03/2017	MO	Guide Service of Washington Inc.			* 60210 - Client Meals		-1,019.70	-17,343.02
Check	11/03/2017	MO	Magill's			* 60210 - Client Meals		-1,360.00	-18,703.02
Check	11/03/2017	MO	Guide Service of Washington Inc.			* 60310 - Admissions		-1,540.00	-20,243.02
Check	11/03/2017	MO	Guide Service of Washington Inc.			* 60310 - Admissions		-420.00	-20,663.02

Discovery Tours, Inc.
Transactions by Account
As of March 20, 2018

Type	Date	Num	Name	Memo	Class	Cr	Split	Amount	Balance
Check	11/03/2017	MO	Magill's					-2,378.00	-25,906.97
Check	11/03/2017	DC	Hyatt Regency					-2,000.00	-27,906.97
Transfer	11/06/2017			PayPal Funds Transfer	School Groups	*	60210 · Client Meals	5,924.75	-21,982.22
Check	11/06/2017	DC	Herd Rock Cafe			*	60210 · Client Meals	-1,061.00	-23,043.22
Check	11/06/2017	DC	Mount Vernon			*	60310 · Admissions	-324.00	-23,367.22
Check	11/06/2017	DC	Clifton Inn & Suites			*	60100 · Lodging / Hotels	-1,655.28	-25,022.50
Check	11/06/2017	DC	Parthenon			*	74740 · Internet Service	-230.00	-25,252.50
Transfer	11/07/2017			PayPal Funds Transfer	School Groups	*	10500 · PayPal Reserve	2,554.75	-22,697.75
Transfer	11/07/2017			PayPal Funds Transfer	School Groups	*	10500 · PayPal Reserve	999.75	-21,698.00
Check	11/07/2017	DC	Hyatt Place			*	60100 · Lodging / Hotels	-3,395.84	-25,093.84
Check	11/07/2017	DC	Precious Cargo Trailways			*	60342 · Charters	-1,130.76	-26,224.60
Transfer	11/08/2017			PayPal Funds Transfer	School Groups	*	10500 · PayPal Reserve	799.75	-25,424.85
Transfer	11/08/2017			PayPal Funds Transfer	School Groups	*	10500 · PayPal Reserve	284.75	-25,140.10
Transfer	11/08/2017			PayPal Funds Transfer	School Groups	*	10500 · PayPal Reserve	2,169.75	-22,970.34
Transfer	11/08/2017			PayPal Funds Transfer	School Groups	*	10500 · PayPal Reserve	1,024.75	-21,945.59
Transfer	11/09/2017			PayPal Funds Transfer	School Groups	*	10500 · PayPal Reserve	1,999.75	-19,945.84
Transfer	11/09/2017			PayPal Funds Transfer	School Groups	*	10500 · PayPal Reserve	1,419.75	-18,526.09
Transfer	11/09/2017			PayPal Funds Transfer	School Groups	*	10500 · PayPal Reserve	584.75	-17,941.34
Transfer	11/09/2017			PayPal Funds Transfer	School Groups	*	10500 · PayPal Reserve	469.75	-17,471.59
Check	11/09/2017	DC	Hyatt Place			*	60100 · Lodging / Hotels	-3,395.84	-20,867.43
Check	11/09/2017	MO	Coast Trip Withdrawal			*	60210 · Client Meals	-3,800.00	-24,667.43
Check	11/09/2017	DC	Top of the Rock			*	60310 · Admissions	-1,017.51	-25,684.94
Check	11/09/2017	DC	George Washington Mt Vernon			*	60310 · Admissions	-266.00	-25,950.94
Transfer	11/10/2017			PayPal Funds Transfer	School Groups	*	10500 · PayPal Reserve	675.00	-25,275.94
Check	11/10/2017	DC	Hyatt Place			*	60100 · Lodging / Hotels	-14,024.64	-39,300.58
Check	11/10/2017	DC	Embassy Suites			*	60100 · Lodging / Hotels	-3,228.79	-42,529.37
Check	11/10/2017	DC	Magill's			*	60210 · Client Meals	-1,470.00	-43,999.37
Check	11/10/2017	MO	Anderson Coach and Travel			*	60650 · Parking	-278.00	-44,277.37
Transfer	11/10/2017			PayPal Funds Transfer	School Groups	*	10500 · PayPal Reserve	2,399.75	-41,877.62
Transfer	11/11/2017			PayPal Funds Transfer	School Groups	*	10500 · PayPal Reserve	1,300.00	-40,577.62
Transfer	11/18/2017			PayPal Funds Transfer	School Groups	*	10500 · PayPal Reserve	1,899.75	-38,677.87
Check	11/20/2017	DC	Bank service charges			*	70910 · Bank Service Charges	-316.00	-38,993.87
Check	11/21/2017	DC	Museum of Science and Industry			*	60310 · Admissions	-1,094.50	-39,988.37
Check	11/21/2017	DC	Museum of Science and Industry			*	60310 · Admissions	-1,139.00	-41,127.37
Transfer	11/21/2017			PayPal Funds Transfer	School Groups	*	10500 · PayPal Reserve	999.75	-40,127.62
Transfer	11/21/2017			PayPal Funds Transfer	School Groups	*	10500 · PayPal Reserve	1,799.75	-38,327.87
Check	11/21/2017	DC	Sleep Inn			*	60100 · Lodging / Hotels	-3,000.00	-41,327.87
Check	11/21/2017	DC	Sleep Inn			*	60100 · Lodging / Hotels	-3,499.75	-44,827.62
Check	11/21/2017	DC	Wendy's			*	60220 · Employee Meals	-37.35	-44,864.97
Check	11/21/2017	DC	FeDEX			*	81720 · Postage	-24.50	-44,889.47
Transfer	11/28/2017	DC	Wilson's Lodge			*	10500 · PayPal Reserve	6,499.75	-38,389.72
Check	01/04/2018			Funds Transfer	School Groups	*	60310 · Admissions	-444.67	-38,834.39
Transfer	01/07/2018			Funds Transfer	Administration	*	10500 · PayPal Reserve	7,500.00	-31,334.39
Transfer	01/15/2018			Funds Transfer	Administration	*	10500 · PayPal Reserve	6,000.00	-25,334.39
Transfer				Funds Transfer	Administration	*	10500 · PayPal Reserve	5,499.75	-19,834.64

Discovery Tours, Inc.
Transactions by Account
 As of March 20, 2018

Type	Date	Num	Name	Memo	Class	Cr	Split	Amount	Balance
Transfer	01/15/2018				Administration	10500	PayPal Reserve	949.75	-12,444.53
Check	01/19/2018	DC	Entertainment Cruises			50310	Admissions	-2,500.00	-14,944.53
Transfer	01/30/2018					10500	PayPal Reserve	624.75	-14,319.78
Transfer	01/31/2018			Joe personal bank	School Groups	10500	PayPal Reserve	949.75	-13,370.03
Transfer	02/01/2018			Funds Transfer	School Groups	10500	PayPal Reserve	2,999.75	-10,370.28
Transfer	02/02/2018			Funds Transfer	School Groups	10500	PayPal Reserve	7,459.75	-2,910.53
General Journal	02/09/2018	JAC		Funds Transfer	Administration	33011	AMEX / 51003 EL	385.46	-2,285.08
General Journal	03/20/2018					37015	Loan (JAC)	2,285.08	0.00
TOTAL								0.00	0.00
Total 10900 - Chase - JAC								0.00	0.00

Discovery Tours, Inc.
Transactions by Account
 As of January 2, 2018

Type	Date	Num	Name	Memo	Class	Clr	Split	Amount	Balance
10950 - Key Bank / 3148 (JAG)									
Check	11/29/2017	DC	Wilson's Lodge						0.00
Transfer	12/07/2017			PayPal transfer to Joe's Key Bank account	School Groups	60310 - Admissions		-444.87	-444.87
Transfer	12/09/2017			PayPal transfer to Joe personal Key Bank	School Groups	10500 - PayPal Reserve		999.75	554.88
Transfer	12/09/2017			PayPal transfer to Joe personal Key Bank	School Groups	10500 - PayPal Reserve		3,799.75	4,354.63
Check	12/13/2017	MO	Holton Tour Consultants			10500 - PayPal Reserve		1,499.75	5,854.38
Check	12/13/2017	MO	Cash Trip Withdrawal			60310 - Admissions		-1,005.00	4,849.38
Transfer	12/13/2017			PayPal transfer to Joe personal Key Bank	School Groups	60210 - Client Meals		-1,400.00	3,449.38
Transfer	12/13/2017			PayPal transfer to Joe personal Key Bank	School Groups	10500 - PayPal Reserve		879.75	4,329.13
Transfer	12/13/2017			PayPal Funds Transfer	School Groups	10500 - PayPal Reserve		2,039.75	6,368.88
Transfer	12/13/2017			PayPal-MASTERCARD 3148	School Groups	10500 - PayPal Reserve		789.75	7,158.63
Transfer	12/18/2017			PayPal personal Key Bank	School Groups	10500 - PayPal Reserve		3,149.75	10,308.38
Transfer	12/18/2017			PayPal-MASTERCARD 3148	School Groups	10500 - PayPal Reserve		1,999.75	12,308.13
Transfer	12/22/2017			Funds Transfer	School Groups	10500 - PayPal Reserve		2,499.75	14,807.88
Transfer	12/23/2017			Funds Transfer	School Groups	10500 - PayPal Reserve		4,499.75	19,307.63
Transfer	12/27/2017			Funds Transfer	School Groups	10500 - PayPal Reserve		2,499.75	21,807.38
Transfer	01/02/2018			Funds Transfer	School Groups	10500 - PayPal Reserve		259.75	22,067.13
TOTAL								<u>24,666.88</u>	<u>24,666.88</u>
Total 10950 - Key Bank / 3148 (JAG)								<u>24,666.88</u>	<u>24,666.88</u>

Ex. D.

Summary

Money owed to JAC
(personal loans)

Account Name	Account Number	Personal Credit Card	Amount Owed to JAC	Amounts verified via DT Balance Sheet
Bank of America	Ending in 7783	Yes	\$ 7,000.00	Yes
Capital One	Ending in 9186	Yes	\$ 24,000.00	Yes
Chase Bank	Ending in 4583	Yes	\$ 24,178.44	Yes
Chase Bank	Ending in 5457	Yes	\$ 10,000.00	Yes
Citi Bank	Ending in 8774	Yes	\$ 4,000.00	Yes
Citi Bank	Ending in 8795	Yes	\$ 35,000.00	Yes
Discover Card	Ending in 2501	Yes	\$ 13,000.00	Yes
Discover Card	Ending in 7790	Yes	\$ 20,000.00	Yes
Key Bank	Ending in 5939	Yes	\$ 17,000.00	Yes
LOAN (JAC)		No	\$ 6,050.57	Yes

TOTAL: \$ 160,229.01